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SUBJECT: BHUTAN EXPERIENCING GROWING PAINS IN ITS  
TRANSITION TO DEMOCRACY

REF: NEW DELHI 5243

Classified By: A/DCM Ted Osius for reasons 1.4 (B,D)

¶1. (C) Summary: In November, Poloff accompanied Population, Refugee, and Migration (PRM) A/S Ellen Sauerbrey to Bhutan to discuss resolution of the protracted Bhutanese refugee crisis in Nepal (ref A). During this visit, interlocutors including the former King, Jigme Singye Wangchuck, Prime Minister Lyongpo Kinzang Dorji, the presidents of both registered political parties, the Editor in Chief of Kuensel, the national newspaper, members of the Election Commission, the Anti-Corruption Commission Chairperson, and the Foreign Ministry discussed the impending transition to democracy scheduled for December 2007 (upper house) and March/April 2008 (lower house), as well as economic and security issues facing the nation.

¶2. (C) These conversations revealed a democratic transition that is largely directed by the former King and adhered to by a population that needs a lot of familiarization. While the technical election structure appears ready for action, there are still bumps in the road. In meetings with the political party leadership from each party, one of whom will be the next Prime Minister, they confessed that they do not differ in ideology and yet differences are being falsely constructed, causing community strife. Where the political party leaders do differ is in personality, which will be a key deciding factor for Bhutanese voters. The Bhutanese face a tough challenge, implementing democracy while still educating themselves on its concepts and institutions. The Maoists of Nepal also are threatening disruptions. Though the former King began the transition to democracy, there is no doubt that his son, the current King Jigme Khesar Namgyal Wangchuck, is in command of the country. Under the current King, economic shifts are expected including Bhutan opening up for more foreign direct investment. Additionally, unlike his father, the current King is said to prioritize economic growth perhaps a little higher than environmental protection. With new leadership and a new governing system, Bhutan is a nation to be watched as it matures through its growing pains.

End Summary.

Why Democracy, Why Now?

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¶13. (C) Former King Jigme Singye Wangchuck told A/S Sauerbrey that he never believed in the monarchy system because it is based on birth and not merit. He explained that though he might be good for the people, there is a danger that future kings might not be -- and that is too great a possibility to risk. In preparation for the transition, the former King said he looked into the constitutions of over 50 democratic countries to identify strengths and weaknesses in their systems.

¶14. (C) Editor in Chief Kinley Dorji of the national newspaper Kuensel said that the former King has been working toward instituting a democracy since the first day of his rule. In his first address in 1974, the former King spoke of a people's government and created local and municipal level representational governing bodies to start teaching the Bhutanese democratic principles in preparation for a large scale transition to democracy. Dorji, however, noted that rural Bhutanese are suspicious of this transition. He added that most Bhutanese have not seen good models of democracy from the region, referencing Nepal and India. Rural Bhutanese are wondering that if the monarchy has worked for 100 years, why should it change now?

Who Can Vote?

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¶15. (C) According to the former King, all Bhutanese citizens  
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above 18 years can vote. Kuensel Editor Dorji personally attested to ethnic Nepali Bhutanese who will also have the right to vote in the elections scheduled for December 2007 (upper house) and March/April 2008 (lower house). Approximately one-third of the Kuensel office consists of Bhutanese of ethnic Nepali origin and they all intend to go to the polls on election day, Dorji noted. In fact, he stated, the Nepali vote will be a key voting block in the elections. Since ethnic Nepalis were prohibited from government service, they opened businesses and now constitute an affluent and influential community. As such, Dorji contended that Nepalis are more empowered than what most might believe.

The Election Commission: Covering all the Bases

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¶16. (C) Deki Pema, one of Bhutan's three Election Commissioners, expressed great confidence that a successful election would occur. She told Poloff of the elaborate plan in place to implement the elections. The elections will occur during the winter months because polling will take place in schools, which will be closed at that time. In remote areas cut off due to snow and ice, helicopters will be used to airdrop electronic voting machines (EVMs) and polling officers. Already, Pema noted, provisions which can be sent in advance are being delivered to the polling stations. According to her, polling stations would be no more than a two-hour walk for each citizen and no more than 1000 voters would be allocated per polling station. Results will be available the same day due to the EVMs and walkie-talkies which will deliver results back to headquarters from remote areas. In case of generator failures, solar energy will be used for the EVMs. The Election Commission has drafted rules to monitor campaign finance for parties and candidates, and she assured Poloff that there is a plan in place for security. Regarding educating the public on democracy and how to vote, Pema spoke of a public education campaign aimed at teaching the Bhutanese about political parties, campaigning, and voting.

¶17. (C) According to the Bhutanese Embassy in New Delhi,

approximately 300,000 Bhutanese have registered to vote -- almost half the population of Bhutan. On December 31, voters will go to the polls to elect members of the National Council (upper house). Twenty members, each representing one district in Bhutan, will be voted into office and the King will appoint five others, for a total of 25 members in the National Council. Candidates running for the National Council are not associated with either political party. In many districts, anywhere from two to four candidates are contesting these seats. There are however, two districts who will not hold National Council elections in December because they do not have at least two people running for office. In early 2008, National Assembly elections will occur. At that time, out of 94 candidates (each political party will field one candidate per seat in the National Assembly), voters will elect 47 representatives.

#### Parties Educating the Voters

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¶8. (C) There are officially two registered political parties in Bhutan for the upcoming elections -- the People's Democratic Party (PDP) and the Druk Pheunsum Tshogpa (DPT). Each elected official will serve a five-year term and can serve a maximum of two terms. In meetings with each political party, both presidents explained that the parties are not divided on ideology. PDP President Sangay Ngedup, who was formerly Minister of Agriculture, stated that neither party can disagree with the current policies, which have been set by the King. In fact, he proclaimed the biggest fear is not being able to match the success of the King. This will lead people to believe they had it better under the monarchy.

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Since issues and ideology are not a deciding factor, according to Ngedup, the Bhutanese will vote based on the personalities of the candidates and the "team spirit" of the political party. The PDP emblem is a galloping white horse and their mottos are "Serve with Humility" and "Walk the Talk." Ngedup pointed out that the PDP had five women running for office, which is better than the DPT's three.

¶9. (C) DPT President Jigme Thinley spoke at length of the difficulties in running a campaign in Bhutan. He described the physical challenges of campaigning, including walking over fourteen hours between villages and sleeping in sleeping bags on school floors for months. He lamented the under-representation of women candidates, which he did not understand since there are so many women involved in the political parties and campaigns. In accordance with the rules of the Election Commission, he is only able to do the "familiarization" part of the campaign, which is to introduce the political party and candidates to the people. However, Thinley has found that the people need intensive education on democracy, their responsibilities as voters, and how to physically cast their votes. He claimed to be doing the job of the Election Commission in explaining democracy. He spoke of being unable to familiarize voters with his party until Bhutanese citizens understand the democratic framework and then he can talk about the role his party plays within that structure. Thinley jokingly described himself and the exercise as "the blind leading the foolish down the road towards democracy."

¶10. (C) Thinley expressed a personal responsibility to educate the Bhutanese about democracy, particularly because his rivals in PDP aggressively promoted their party in the familiarization component of campaigning. He contended that many Bhutanese citizens are worried they have lost their freedom to freely choose a candidate because they signed a document which makes them PDP members. Kuensel Editor Dorji reconfirmed this notion, claiming that the PDP exploited citizens who did not understand what they were signing. They simply understood that someone from Thimphu, which to them means the royal government, came and asked for a signature. Many people feel "duped," Dorji explained, and they do not

understand if they can break from the party they signed up with to vote another way. According to the election rules, however, people will not be tied to their party membership on election day and will vote by secret ballot.

#### The Political Leadership

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¶11. (C) Third country representatives posted to Bhutan revealed a more colorful picture of the political leadership.

PDP President Ngedup is the former Minister of Agriculture, Marie-Christine Weinberger with the Austrian Embassy's Development Cooperation Bureau told Poloff. She further disclosed that he is the brother of the four Queens of the former King and that Ngedup has a reputation of being a tyrant like his father, who was a powerful businessman and known for "rivaling the Tashis" (one of the most powerful industrial families in Bhutan). Weinberger claimed that Ngedup solely wants power to gain control of the country. Michael Rutland, a British resident of Bhutan for over 20 years who was given honorary Bhutanese citizenship for his close relationship with the former King, whom he tutored, noted that in Ngedup's latter years as Minister of Agriculture, he worked on a number of pro-farmer initiatives. Rutland contended that this was "very cunning" of Ngedup who knew he was going to run for office in a country where 60 percent of the population are farmers.

¶12. (C) Rutland described DPT President Thinley, who was formerly Home Minister, as "very cerebral." Though highly respected in Thimphu, he is not well known in his own district from where he will run for office. Ngedup, however,

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is dynamic and aggressive compared with Thinley's dignified humility. Though Ngedup is clever and is clearly fighting to win, the race is still up in the air because Ngedup's personality might not go down well with the Bhutanese who value "reticence," Rutland added.

¶13. (C) Kuensel Editor Dorji again noted the difficulties in educating the public on democracy and selecting who is best to lead the nation. Affirming what the presidents of the political parties articulated, Dorji said that the election will be more a personality and popularity contest versus an ideological or political contest. Michael Rutland also echoed this sentiment, saying that DPT President Thinley himself might not realize his career will end if he loses in his own constituency, where he is allegedly not well known.

#### The Challenges Ahead: Maoists

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¶14. (C) Various interlocutors outlined the major challenges ahead. Prime Minister (PM) Kinzang Dorji emphasized the need to prepare and sensitize civil servants on how to work with politicians. He also spoke at length about strengthening the bureaucracy so the new government will be ready to "take off" from day one.

¶15. (C) PM Dorji also noted that the Maoists in Nepal have already threatened to disrupt the elections. The Bhutanese must take this threat very seriously, Dorji insisted, especially in light of the bombings which took place during the mock elections in April. He referred specifically to the Bhutan Communist Party (BCP) and the Bhutan Tiger Force as elements who have improvised explosive devices and who have publicly stated their intent to obstruct the transition to democracy. In separate conversations with Rutland and Dorji, each confirmed that the Maoists could pose a significant threat. Rutland alleged that the BCP openly threatened to use the refugees in the Nepali camps to overthrow the monarchy and the new government. He contended that while the Election Commission might have made arrangements to handle security at polling sites, they will have to be careful not to frighten away voters with a heavy police presence.

¶16. (C) Rutland added that the political parties are artificial creations without issue-based agendas. Furthermore, neither party can define an agenda since the 10th five year plan is being finalized and policy will not diverge far from what is stipulated in the plan. As such, the Bhutanese are faced with the challenge of creating differences, which is resulting in conflicts that never existed before. "Without disharmony there is no raison d'etre in politics," Rutland contended. Kuensel Editor Dorji reported numerous instances of families, villages, and communities divided over disparate political associations. He described some villages grouping together while others are divided because family members are running against each other, leading to intra-family squabbles. "Hopefully, these are just teething problems and this is how democracy begins," Dorji opined.

¶17. (C) Another challenge Dorji noted will be how Bhutan re-absorbs politicians who resigned from the civil service to run for office. According to the Election Commission rules, they cannot rejoin the government as civil servants.

#### The Economy

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¶18. (C) Although no one with whom we spoke knew the unemployment rate, almost all interlocutors mentioned unemployed youth as a pervasive problem. Dorji noted that the government is trying to develop opportunities in information technology and tourism. He outlined policy shifts in Foreign Direct Investment, which have resulted in

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many new partnerships between Indians and Bhutanese. Dorji expressed concern over the possibility that Bhutan would join the World Trade Organization (WTO), which would restrict Bhutanese control over the economy, particularly in light of Bhutan's interest in balancing GNP with Gross National Happiness (GNH). (Note: Unlike conventional development models which stress economic growth as the ultimate objective, GNH is based on the premise that true development takes place when material and spiritual development occurs simultaneously to complement and reinforce economic growth. In utilizing this concept, Bhutan seeks to balance socio-economic development with the preservation and promotion of cultural values, conservation of the environment, and good governance. End Note.)

#### A Growing Civil Society: The Anti-Corruption Commission

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¶19. (C) In his all-encompassing effort to build a democratic society, the King, by royal decree, established an Anti-Corruption Commission (ACC) in January 2006. ACC Chairperson Neten Zangmo explained its three functions: public education and advocacy; prevention; and investigation.

Zangmo described corruption to be pervasive in both the bureaucracy and the corporate sector. She highlighted that the ACC is currently investigating 18 cases of corruption. While the ACC has the power to arrest, she noted that they do not have capacity to take on this responsibility, so they work very closely with the police. Zangmo told Poloff that the ACC receives 30-40 complaints a month. Her biggest challenge is educating the public that they have the power to stop corruption.

#### The Future of the Monarchy

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¶20. (C) Both Dorji and Rutland guessed that the King must be looking at the transition to democracy with a bit of trepidation as well. He will no longer have a defined role, and whichever politician becomes Prime Minister will possess the mandate of the people. Dorji, however, felt that even without a mandate, the King would still have the reverence of

the people. Rutland, who is close to the royal family, spoke highly of both Kings, the former and current. He said there is no doubt about who is running the show. The former King is ready to retire and "go trekking and play tennis." The current King, Rutland told Poloff, is dynamic, highly intelligent, and "more worldly" than his father. He studied economics and political philosophy and recently set up a think tank called The People's Project in Thimpu to look at various socio-economic issues. Rutland predicted that priorities might shift under the current King, who values economic progress more than GNH. Rutland ventured that the current King might compromise on certain environmental issues if there are great economic gains to be made (Note: The environment is a key factor of GNH, and according to some, the country's attention to the environment has retarded its economic progress. End Note.)

Comment: A Nation in Transition

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¶21. (C) In a rapidly transforming Bhutan, civil institutions such as the Election Commission and the Anti-Corruption Commission carry the onus of educating themselves while simultaneously blazing a path for society. The upcoming elections, while noble in concept, also demonstrate the country's political naivet. Even without political differences between the two parties, communities and families are being divided over mere political associations. While Bhutanese might not at this time vote on an ideology or on political promises and deliverables, they will learn through trial and error and mature over time. Politics might be messy in Bhutan for a period as they try to grapple with new

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institutions and new choices. Nonetheless, the growing pains will probably ease as the system matures. It is fortunate that Bhutan has leadership endowed with the respect of the people as well the vision and commitment to guide this difficult transition. End Comment.

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